MONTANA LEGISLATIVE HISTORY

Chapter 790 1991

Bill H 580 S _____ Original bill & history ✓ C

H. Committee on Taxation			S. Committee on Taxation		
Hearing Date(s)	Feb 14	✓ C	Hearing Date(s)	Mar 06	✓ C
		C		Mar 07	✓ C
		C			C
		C			C
Date Out	Feb 14	✓ C		Mar 07	✓ C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

Note: A Free Conference Committee was appointed. Its minutes were not recorded.

CHAPTER NUMBER 604 EFFECTIVE DATE: 7/01/91

HB 580 INTRODUCED BY SCHYE

REQUIRE DEPARTMENT OF REVENUE TO REPORT TAXABLE VALUE TO OFFICE OF PUBLIC INSTRUCTION BY DECEMBER 1 OF EACH YEAR

BY REQUEST OF REVENUE OVERSIGHT COMMITTEE

2/04	INTRODUCED		
2/04	REFERRED TO TAXATION		
2/04	FIRST READING		
2/04	FISCAL NOTE REQUESTED		
2/08	FISCAL NOTE RECEIVED		
2/12	FISCAL NOTE PRINTED		
2/14	HEARING		
2/14	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/16	2ND READING PASSED	96	0
2/19	3RD READING PASSED	99	0
	TRANSMITTED TO SENATE		
2/20	FIRST READING		
2/20	REFERRED TO TAXATION		
3/06	HEARING		
3/07	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/18	2ND READING CONCURRED AS AMENDED	49	0
3/19	TAKEN FROM 3RD READING AND PLACED ON 2ND READING	49	0
3/20	2ND READING CONCURRED AS AMENDED	48	0
3/21	3RD READING CONCURRED	49	0
	RETURNED TO HOUSE WITH AMENDMENTS		
4/09	2ND READING AMENDMENTS CONCURRED	96	0
4/10	3RD READING AMENDMENTS CONCURRED	99	0
4/15	SIGNED BY SPEAKER		
4/16	SIGNED BY PRESIDENT		
4/16	TRANSMITTED TO GOVERNOR		
4/20	RETURNED TO HOUSE WITH GOVERNOR'S AMENDMENTS		
4/22	2ND READING GOVERNOR'S AMENDMENTS NOT CONCURRED	77	14
	TRANSMITTED TO SENATE		
4/23	2ND READING GOVERNOR'S AMENDMENTS CONCURRED	49	0
4/24	3RD READING GOVERNOR'S AMENDMENTS CONCURRED	48	0
	RETURNED TO HOUSE		
4/23	CONFERENCE COMMITTEE APPOINTED		
4/24	CONFERENCE COMMITTEE DISSOLVED		
4/24	FREE CONFERENCE COMMITTEE APPOINTED		
4/24	FREE CONFERENCE COMMITTEE REPORT NO. 1		
4/25	2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	98	0
4/25	3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	97	0
	SENATE		
4/24	FREE CONFERENCE COMMITTEE APPOINTED		
4/24	FREE CONFERENCE COMMITTEE REPORT NO. 1		
4/25	2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	48	1
4/25	3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	47	2
4/29	SIGNED BY SPEAKER		
4/29	SIGNED BY PRESIDENT		
4/30	TRANSMITTED TO GOVERNOR FOR RECONSIDERATION		

5/17 SIGNED BY GOVERNOR
CHAPTER NUMBER 790 EFFECTIVE DATE: 5/17/91

HB 581 INTRODUCED BY STRIZICH
ALLOW ALL LAW ENFORCEMENT AGENCIES TO USE CERTAIN RECORDS OF YOUTHS

2/04	INTRODUCED		
2/04	REFERRED TO JUDICIARY		
2/04	FIRST READING		
2/18	HEARING		
2/19	COMMITTEE REPORT—BILL PASSED		
2/21	PLACED ON CONSENT CALENDAR		
2/23	3RD READING PASSED	96	2
	TRANSMITTED TO SENATE		
2/25	FIRST READING		
2/25	REFERRED TO JUDICIARY		
3/13	HEARING		
3/16	COMMITTEE REPORT—BILL CONCURRED		
3/18	2ND READING CONCURRED	49	0
3/19	3RD READING CONCURRED	48	0
	RETURNED TO HOUSE		
4/02	SIGNED BY SPEAKER		
4/02	SIGNED BY PRESIDENT		
4/02	TRANSMITTED TO GOVERNOR		
4/04	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 346	EFFECTIVE DATE: 10/01/91	

HB 582 INTRODUCED BY STICKNEY, ET AL.
PROHIBIT CONSTRUCTION OR REMODELING OF SCHOOL ROOFS WITH LESS THAN .75 SLOPE

2/04	INTRODUCED
2/04	REFERRED TO EDUCATION & CULTURAL RESOURCES
2/04	FIRST READING
2/13	HEARING
2/14	COMMITTEE REPORT—BILL PASSED
2/16	REREFERRED TO EDUCATION & CULTURAL RESOURCES
2/18	TABLED IN COMMITTEE

HB 583 INTRODUCED BY BENEDICT (ELLISON BECAME NEW PRIMARY SPONSOR ON 3/08)
CREATE A CLASS B-11-W NONRESIDENT WHITETAIL DEER COMBINATION LICENSE

2/04	INTRODUCED		
2/04	REFERRED TO FISH & GAME		
2/04	FIRST READING		
2/04	FISCAL NOTE REQUESTED		
2/09	FISCAL NOTE RECEIVED		
2/12	FISCAL NOTE PRINTED		
2/16	REVISED FISCAL NOTE PRINTED		
3/08	NEW PRIMARY SPONSOR—ELLISON		
3/11	HEARING		
3/23	COMMITTEE REPORT—BILL PASSED AS AMENDED		
4/02	2ND READING DO PASS MOTION FAILED	34	64

HB 584 INTRODUCED BY SOUTHWORTH, ET AL.
LIMIT DEFENSE ATTORNEY FEES IN WORKERS' COMPENSATION CASES

2/04	INTRODUCED
2/04	REFERRED TO JUDICIARY
2/04	FIRST READING
2/21	HEARING

HOUSE BILL NO. 580

INTRODUCED BY SCHYE
BY REQUEST OF THE REVENUE
OVERSIGHT COMMITTEE

IN THE HOUSE

FEBRUARY 4, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
FEBRUARY 14, 1991	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 15, 1991	PRINTING REPORT.
FEBRUARY 16, 1991	SECOND READING, DO PASS.
FEBRUARY 18, 1991	ENGROSSING REPORT.
FEBRUARY 19, 1991	THIRD READING, PASSED. AYES, 99; NOES, 0.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 20, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
MARCH 7, 1991	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 11, 1991	ON MOTION, CONSIDERATION PASSED UNTIL THE 53RD LEGISLATIVE DAY.
MARCH 12, 1991	ON MOTION, CONSIDERATION PASSED UNTIL THE 55TH LEGISLATIVE DAY.
MARCH 14, 1991	ON MOTION, CONSIDERATION PASSED UNTIL THE 58TH LEGISLATIVE DAY.
MARCH 18, 1991	SECOND READING, CONCURRED IN AS AMENDED.
MARCH 19, 1991	ON MOTION, TAKEN FROM THIRD READING

	AND PLACED ON SECOND READING FOR THE PURPOSE OF AMENDMENT.
MARCH 20, 1991	SECOND READING, CONCURRED IN AS AMENDED.
MARCH 21, 1991	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.
	RETURNED TO HOUSE WITH AMENDMENTS.
	IN THE HOUSE
APRIL 9, 1991	RECEIVED FROM SENATE.
	SECOND READING, AMENDMENTS CONCURRED IN.
APRIL 10, 1991	THIRD READING, AMENDMENTS CONCURRED IN.
	SENT TO ENROLLING.
APRIL 15, 1991	REPORTED CORRECTLY ENROLLED.
	SIGNED BY SPEAKER.
APRIL 16, 1991	SIGNED BY PRESIDENT.
	DELIVERED TO GOVERNOR.
APRIL 20, 1991	RETURNED FROM GOVERNOR WITH RECOMMENDED AMENDMENTS.
APRIL 22, 1991	SECOND READING, GOVERNOR'S AMENDMENTS NOT CONCURRED IN.
	IN THE SENATE
APRIL 23, 1991	SECOND READING, GOVERNOR'S AMENDMENTS CONCURRED IN.
APRIL 24, 1991	THIRD READING, GOVERNOR'S AMENDMENTS CONCURRED IN.
	IN THE HOUSE
APRIL 23, 1991	ON MOTION, CONFERENCE COMMITTEE REQUESTED.
APRIL 24, 1991	CONFERENCE COMMITTEE DISSOLVED.

IN THE SENATE

APRIL 24, 1991 — ON MOTION, CONFERENCE COMMITTEE REQUESTED AND APPOINTED.

CONFERENCE COMMITTEE DISSOLVED.

IN THE HOUSE

APRIL 24, 1991 — ON MOTION, FREE CONFERENCE COMMITTEE REQUESTED AND APPOINTED.

FREE CONFERENCE COMMITTEE REPORTED.

IN THE SENATE

APRIL 24, 1991 — ON MOTION, FREE CONFERENCE COMMITTEE REQUESTED AND APPOINTED.

APRIL 25, 1991 — CONFERENCE COMMITTEE REPORT ADOPTED.

IN THE HOUSE

APRIL 25, 1991 — SECOND READING, CONFERENCE COMMITTEE REPORT ADOPTED.

THIRD READING, CONFERENCE COMMITTEE REPORT ADOPTED.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

HOUSE BILL NO. 580

INTRODUCED BY Eck

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO USE THE PREVIOUS YEAR'S STATE, COUNTY, AND SCHOOL DISTRICT TAXABLE VALUE FOR DETERMINING MILL VALUES PER AVERAGE NUMBER BELONGING FOR THE PURPOSE OF CALCULATING GUARANTEED TAX BASE AID; REQUIRING THE DEPARTMENT OF REVENUE TO REPORT COUNTY AND SCHOOL DISTRICT TAXABLE VALUE BY DECEMBER 1 OF EACH YEAR; PROVIDING FOR A TRANSITION PERIOD TO REQUIRE THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO USE 1990 TAXABLE VALUES FOR GUARANTEED TAX BASE PURPOSES FOR THE SCHOOL YEAR BEGINNING JULY 1, 1991; AMENDING SECTIONS 20-9-366 AND 20-9-369, MCA; AND PROVIDING EFFECTIVE DATES, A RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 20-9-366, MCA, is amended to read:

"**20-9-366. Definitions.** As used in 20-9-366 through 20-9-369, the following definitions apply:

(1) "County mill value per elementary ANB" or "county mill value per high school ANB" means the sum of the current taxable valuation in the previous year of all property in the county plus the taxable value of oil and gas net proceeds determined under 15-23-607(4) for production occurring after March 31, 1990, plus the taxable value of coal gross proceeds determined under 15-23-703(3) plus all the taxable value of nonlevy revenue for the support of schools, other than Public Law 81-874 funds, divided by 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB count used to calculate the elementary school districts' and high school districts' current year foundation program amounts. The taxable value of nonlevy revenue for the purpose of computing guaranteed tax base aid for schools is the amount of nonlevy revenue received by a district in the previous year, including for fiscal year 1991 the revenue received in fiscal year 1990 from the net proceeds taxation of oil and natural gas and including for fiscal year 1992 and thereafter the local government severance tax, divided by the number of mills levied by the district in the previous year, multiplied by 1,000.

(2) "District mill value per ANB" means the current taxable valuation in the previous year of all property in the district plus the taxable value of oil and gas net proceeds determined under 15-23-607(4) for production occurring after March 31, 1990, plus the taxable value of

INTRODUCED BILL HB 580

coal gross proceeds determined under 15-23-703(3) plus all the taxable value of nonlevy revenue for the support of schools, other than Public Law 81-874 funds, divided by 1,000, with the quotient divided by the ANB count of the district used to calculate the district's current year foundation program schedule amount. The taxable value of nonlevy revenue for the purpose of computing guaranteed tax base aid for schools is the amount of nonlevy revenue received by a district in the previous year, including for fiscal year 1991 the revenue received in fiscal year 1990 from the net proceeds taxation of oil and natural gas and including for fiscal year 1992 and thereafter the local government severance tax, divided by the number of mills levied by the district in the previous year, multiplied by 1,000.

(3) "Guaranteed overschedule general fund budget" means that portion of a district's general fund budget in excess of the foundation program amount for the district, as provided in 20-9-316 through 20-9-321, but not exceeding 135% of the district's foundation program amount, and which excess is authorized under the provisions of 20-9-145 and 20-9-353.

(4) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB" means the sum of the current taxable valuation in the previous year of all

property in the state plus the taxable value of oil and gas net proceeds determined under 15-23-607(4) for production occurring after March 31, 1990, plus the taxable value of coal gross proceeds determined under 15-23-703(3) plus all the taxable value of nonlevy revenue for the support of schools, other than Public Law 81-874 funds, divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB count used to calculate the elementary school districts' and high school districts' current year foundation program amounts. The taxable value of nonlevy revenue for the purpose of computing guaranteed tax base aid for schools is the amount of nonlevy revenue received by a district in the previous year, including for fiscal year 1991 the revenue received in fiscal year 1990 from the net proceeds taxation of oil and natural gas and including for fiscal year 1992 and thereafter the local government severance tax, divided by the number of mills levied by the district in the previous year, multiplied by 1,000."

Section 2. Section 20-9-369, MCA, is amended to read:

"**20-9-369. Duties of superintendent of public instruction and department of revenue.** (1) The superintendent of public instruction shall administer the distribution of guaranteed tax base aid by:

(a) providing each school district and county

superintendent, by June 15 of each year, with the preliminary statewide and county mill values per ANB and, by July 15 of each year, with the final statewide, district, and county mill values per ANB, for use in calculating the guaranteed tax base aid available for the ensuing school fiscal year;

(b) requiring each county and district that qualifies and applies for guaranteed tax base aid to report to the county superintendent all budget and accounting information required to administer the guaranteed tax base aid;

(c) keeping a record of the complete data concerning appropriations available for guaranteed tax base aid and the entitlements for such aid of the counties and districts that qualify;

(d) distributing the guaranteed tax base aid entitlement to each qualified county or district from the appropriations for that purpose.

(2) The superintendent shall adopt rules necessary to implement 20-9-366 through 20-9-369.

(3) The department of revenue shall provide the superintendent of public instruction by ~~June~~ December 1 of each year ~~a-preliminary-determination-of-the-taxable-value-of-property-within-each-school-district-and--county--of--the-state--and--shall--provide--by--July--1-of-each-year~~ a final determination of the taxable ~~values~~ value of property within

each school district and county of the state reported to the department of revenue based on information delivered to the county clerk and recorder as required in 15-10-305."

NEW SECTION. **Section 3.** Transition period for school year beginning July 1, 1991. The superintendent of public instruction shall, for the purposes of the definitions contained in 20-9-366 and for performing the duties required in 20-9-369, use for the school fiscal year beginning July 1, 1991, the taxable value of all property for calendar year 1990 reported to the department of revenue based on information delivered to the county clerk and recorder as required in 15-10-305, which taxable value the department of revenue has provided to the superintendent of public instruction.

NEW SECTION. **Section 4.** Codification instruction. [Section 3] is intended to be codified as an integral part of Title 20, chapter 9, part 3, and the provisions of Title 20, chapter 9, part 3, apply to [section 3].

NEW SECTION. **Section 5.** Retroactive applicability. [Section 3] applies retroactively, within the meaning of 1-2-109, to the taxable year beginning after December 31, 1990.

NEW SECTION. **Section 6.** Termination. [Section 3] terminates December 1, 1991.

NEW SECTION. **Section 7.** Effective dates. (1) Except as

provided in subsection (2), [this act] is effective July 1, 1991.

(2) [Section 3 and this section] are effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15
In compliance with a written request, there is hereby submitted a Fiscal Note for HB0580, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring the Superintendent of Public Instruction to use the previous year's state, county, and school district taxable value for determining mill values per average number belonging for the purpose of calculating guaranteed tax base aid; requiring the Department of Revenue to report county and school district taxable value by December 1 of each year; and providing for a transition period to require the Superintendent of Public Instruction to use 1990 taxable values for guaranteed tax base purposes for the school year beginning July 1, 1991.

ASSUMPTIONS:

1. Under the proposed legislation, calendar year (CY) 1990 taxable values would be used by the Office of Public Instruction for FY92 guaranteed tax base calculations instead of CY 1991, and CY 1991 would be used for FY93 instead of CY 1992. For purposes of the GTB estimates contained in the executive budget, it is assumed that no change in statewide property taxable value will occur from CY 1990 to 1991 and from CY 1991 to 1992.

FISCAL IMPACT:

No impact.

TECHNICAL NOTE:

Line 1 of page 7 refers back to subsection 2. It appears that the reference is to section 2.

2-8-91
ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

TED SCHYE, PRIMARY SPONSOR DATE

Fiscal Note for HB0580, Introduced

HB 580

Questions From Committee Members:

REP. REAM stated to **Don Chance** that the committee received an amendment that strikes the language that he was referring to. **REP. REAM** asked if he would still be opposed to the bill if the language was inserted. **Mr. Chance** they would support the amendment that states "finance by tax exempt industrial revenue bonds". They would have a question as to what "financing" means. There principal concern would deal with the state board of housing programs.

REP. O'KEEFE asked **REP. SOUTHWORTH** if he was attempting to get at the board of housing programs. **REP. SOUTHWORTH** referred the question to **Ron Burke. Mr. Burke** said it was not the intent. **REP. O'KEEFE** asked if we adopt the amendments and exempt the board of housing, would he still be comfortable with the bill. **Mr. Burke** said yes.

REP. THOMAS asked how would they determine that the time the project was let whether there would be a tax break involved for new industry. **Lee Heiman, Legislative Council,** said if the bonding amendment were put in, that would be part of the bonding requirement. They would have no way to tell the way the bill is written. **REP. THOMAS** said would this apply to new industry. When you build a new building, no taxes are being levied on it. **Gene Fenderson** stated there is confusion about tax exemption. We are looking at when cities and counties or the state issues tax exempt bonds to promote industrial and commercial expansion.

Closing by Sponsor:

REP. SOUTHWORTH urged the committee's support.

HEARING ON HB 580

Presentation and Opening Statement by Sponsor:

REP. SCHYE, House District 18, Glasgow, stated HB 580 has gone through the Revenue Oversight Committee. He said that representatives from OPI and DOR would discuss the bill

Proponents' Testimony:

Jan Thompson, Office of Public Instruction, introduced amendments clarifying the provisions of for guaranteed tax base when they are writing the administrative rules. There is also a provision to lag the data that they use to calculate the GTB for a year. **EXHIBIT 3**
Under current law, OPI must use current years taxable evaluation and previous fiscal years nonlevy revenue in their guaranteed tax base calculations. The problem that arises is that by the time OPI gets the data, the school districts have already had their

levy elections. They don't have the necessary information when they are putting together their preliminary budgets. The real downfall is that the GTB information OPI uses in June and July is still preliminary. They are proposing, with the DOR, to use the previous years taxable value, previous calendar year nonlevied revenue, and previous years A and B in the calculations. This way we can get the information out to the school districts in March when the schools are doing their preliminary budgets. We are trying to clarify the language.

Judy Rippingale, DOR, stated they supported HB 580 in terms of the affect it had on the DOR was to change from the current year to the previous years taxable value. The reason for doing this is that the current years taxable value is not available and timely enough. There should be no problems in using previous years.

Opponents' Testimony: None

Questions From Committee Members:

REP. REAM asked **Judy Rippingale** if she had a chance to look at the amendments since she didn't comment on them. **Ms. Rippingale** said DOR has had the amendments and sees no problems with the concept and has agreed to work with OPI on this project.

Closing by Sponsor:

REP. SCHYE made no closing statement.

EXECUTIVE ACTION ON HB 580

Motion: **REP. RANEY MOVED HB 580 DO PASS.**

Motion/Vote: **REP. McCARTHY** moved to amend HB 580. Motion carried unanimously. **EXHIBIT 4**

Motion/Vote: **REP. HARRINGTON MADE A SUBSTITUTE MOTION THAT HB 580 DO PASS AS AMENDED.** Motion carried unanimously.

EXECUTIVE ACTION ON HB 591

Motion: **REP. RANEY MOVED HB 591 DO PASS.**

Discussion:

REP. O'KEEFE said the "or financing" language had to be cleaned up.

Motion: **REP. O'KEEFE** moved to amend HB 591. To insert "financed by tax-exempt industrial revenue bonds" or "financing from the sale of tax-exempt industrial revenue bonds".

Discussion:

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL DATE 2/14/91

NAME	PRESENT	ABSENT	EXCUSED
REP. DAN HARRINGTON	✓		
REP. BEN COHEN, VICE-CHAIRMAN	✓	✓	
REP. BOB REAM, VICE-CHAIRMAN	✓		
REP. ED DOLEZAL	✓		
REP. JIM ELLIOTT		✓	
REP. ORVAL ELLISON	✓		
REP. RUSSELL FAGG	✓		
REP. MIKE FOSTER	✓	✓	
REP. BOB GILBERT	✓	✓	
REP. MARIAN HANSON	✓		
REP. DAVID HOFFMAN	✓		
REP. JIM MADISON	✓		
REP. ED MCCAFFREE	✓		
REP. BEA MCCARTHY		✓	
REP. TOM NELSON	✓		
REP. MARK O'KEEFE		✓	
REP. BOB RANEY	✓		
REP. TED SCHYE	✓	✓	
REP. BARRY "SPOOK" STANG		✓	
REP. FRED THOMAS		✓	
REP. DAVE WANZENRIED		✓	✓

2-14-91
1:55 PM
LMC

HOUSE STANDING COMMITTEE REPORT

February 14, 1991

Mr. Speaker: We, the committee on Taxation report that House Bill 580 (first reading copy -- white) do pass as amended .

Signed: _____
Dan Harrington, Chairman

And, that such amendments read:

1. Title, line 17.
Following: "DATES,"
Strike: "A RETROACTIVE"
Following: "APPLICABILITY"
Strike: "DATE"
Insert: "DATES"

2. Page 2, line 7.
Strike: "schools"
Insert: "the elementary school and high school district retirement fund budget"

3. Page 2, line 13.
Following: "for"
Strike: "schools"
Insert: "the county retirement fund"

4. Page 2, line 14.
Following: "revenue"
Strike: "received by a district"
Insert: "deposited in the elementary school or high school district retirement fund"

5. Page 2, line 15.
Following: "previous"
Insert: "calendar"
Following: "for"
Insert: "school"

6. Page 2, line 16.
Strike: "fiscal"
Insert: "calendar"

7. Page 2, line 17.
Following: "for"
Insert: "school"

8. Page 2, line 19.
Strike: "district"
Insert: "county"

9. Page 2, line 20.
Strike: "previous year"
Insert: "current school fiscal year in support of the elementary and high school district retirement fund budget"

10. Page 3, line 3.
Strike: "schools"
Insert: "the school district's general fund"

11. Page 3, line 6.
Following: "program"
Strike: "schedule"

12. Page 3, line 9.
Strike: "received by"
Insert: "deposited in"
Strike: "district"
Insert: "district's general fund budget"
Following: "previous"
Insert: "calendar"
Following: "for"
Insert: "school"

13. Page 3, line 10.
Following: "in"
Strike: "fiscal"
Insert: "calendar"

14. Page 3, line 12.
Following: "for"
Insert: "school"

15. Page 3, line 14.
Strike: "previous year"
Insert: "current school fiscal year in support of the district's general fund budget"

16. Page 3, line 23.
Following: line 22
Insert: "(4) "Statewide county mill value per elementary ANB" or "statewide county mill value per high school ANB" means the

sum of the taxable valuation in the previous year of all property in the state plus the taxable value of oil and gas net proceeds determined under 15-23-607(4) for production occurring after March 31, 1990, plus the taxable value of coal gross proceeds determined under 15-23-703(3) plus all the taxable value of nonlevy revenue for support of the elementary school or high school district retirement fund budget, other than Public Law 81-874 funds, divided by 1000, with the quotient divided by the total state elementary ANB count or the total state high school ANB amount used to calculate the elementary school districts' and high school districts' current year foundation program amounts. The taxable value of nonlevy revenue for the purposes of computing guaranteed tax base aid to the county retirement fund is the amount of nonlevy revenue deposited in the elementary school or high school district retirement fund the previous calendar year, including for school fiscal year 1991 the revenue received in calendar year 1990 from the net proceeds taxation of oil and natural gas and including for school fiscal year 1992 and thereafter the local government severance tax, divided by the number of mills levied by the county in the current school fiscal year in support of the elementary school and high school retirement funds, multiplied by 1000."

Renumber: subsequent subsection

17. Page 3, line 23.
Following: "Statewide"
Insert: "district"

18. Page 3, line 24.
Following: "statewide"
Insert: "district"

19. Page 4, line 6.
Strike: "schools"
Insert: "the general fund budget of all school districts"

20. Page 4, line 13.
Strike: "received by a"
Insert: "deposited to the general fund of a school"

21. Page 4, line 14.
Following: "previous"
Insert: "calendar"
Following: "for"
Insert: "school"

22. Page 4, line 15.
Strike: "fiscal"
Insert: "calendar"

23. Page 4, line 16.
Following: "for"
Insert: "school"

24. Page 5, line 1.
Strike: "June 15"
Insert: "March 1"

25. Page 5, line 3.
Strike: "July 15"
Insert: "May 1"

26. Page 6, line 19.
Strike: "Retroactive applicability"
Insert: "Applicability"

27. Page 6, line 20.
Following: line 19
Insert: "(1)"

28. Page 6, line 23.
Following: line 22
Insert: "(2) Except as provided in subsection (1), [this act] applies to school fiscal years beginning after June 30, 1991."

EXHIBIT 3
DATE 2-14-91
HB 580

AMENDMENTS TO HB580
Introduced Copy

Committee on House Education

1. Page 2, Line 7
   Strike: "schools"
   Insert: "the elementary school and high school district retirement fund budget"

2. Page 2, Line 13
   Following: "for"
   Strike: "schools"
   Insert: "the county retirement"

3. Page 2, Line 14
   Following: "revenue"
   Strike: "received by a district"
   Insert: "deposited in the elementary school or high school district retirement fund"

4. Page 2, Line 15
   Following: "previous"
   Insert: "calendar"
   Following: "for"
   Insert: "school"

5. Page 2, Line 16
   Following: "in"
   Strike: "fiscal"
   Insert: "calendar"

6. Page 2, Line 17
   Following: "for"
   Insert: "school"

7. Page 2, Line 19
   Following: "levied by the"
   Strike: "district"
   Insert: "county"

8. Page 2, Line 20
   Strike: "previous year"
   Insert: "current school fiscal year in support of the elementary and high school district retirement fund budget"

9. Page 3, Line 3
   Strike: "schools"
   Insert: "the school district's general fund"

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10. Page 3, Line 6
Following: "program"
Strike: "schedule"

11. Page 3, Line 9
Strike: "received by"
Insert: "deposited in"
Following: "a"
Strike: "district"
Insert: "district's general fund budget"
Following: "previous"
Insert: "calendar"
Following: "for"
Insert: "school"

12. Page 3, Line 10
Following: "in"
Strike: "fiscal"
Insert: "calendar"

13. Page 3, Line 12
Following: "for"
Insert: "school"

14. Page 3, Line 14
Following: "in the"
Strike: "previous year"
Insert: "current school fiscal year in support of the district's general fund budget"

15. Page 3, Line 23
Following: "Statewide"
Insert: "district"

16. Page 3, Line 24
Following: "statewide"
Insert: "district"

17. Page 4, Line 6
Strike: "schools"
Insert: "the general fund budget of all school districts"

18. Page 4, Line 13
Following: "revenue"
Strike: "received by a district"
Insert: "deposited to the general fund of a school district"

19. Page 4, Line 14
Following: "previous"
Insert: "calendar"
Following: "for"
Insert: "school"

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20. Page 4, Line 15
Following: "in"
Strike: "fiscal"
Insert: "calendar"

21. Page 4, Line 16
Following: "for"
Insert: "school"

22. Page 4, Line 19
Strike: "previous year"
Insert: "current school fiscal year in support of the district general fund budget"

23. Page 4.
Following Line 19
Insert: "(5) "Statewide county mill value per elementary ANB" or "statewide county mill value per high school ANB" means the sum of the taxable valuation in the previous year of all property in the state plus the taxable value of oil and gas net proceeds determined under 15-23-607(4) for production occurring after March 31, 1990, plus the taxable value of coal gross proceeds determined under 15-23-703(3) plus all the taxable value of nonlevy revenue for the support of the elementary school or high school district retirement fund budget, other than Public Law 81-874 funds, divided by 1000, with the quotient divided by the total state elementary ANB count to the total state high school ANB count used to calculate the elementary school districts' and high school districts' current year foundation program amounts. The taxable value of nonlevy revenue for the purposes of computing guaranteed tax base aid for the county retirement fund is the amount of nonlevy revenue deposited in the elementary school or high school district retirement fund the previous calendar year, including for school fiscal year 1991 the revenue received in calendar year 1990 from the net proceeds taxation of oil and natural gas and including for school fiscal year 1992 and thereafter the local government severance tax, divided by the number of mills levied by the county in the current school fiscal year in support of the elementary school and high school retirement funds, multiplied by 1000."

24. Page 5, Line 1
Following: "by"
Strike: "June 15"
Insert: " March 1"

25. Page 5, Line 3
Strike: "July 15"
Insert: "May 1"

26. Page 7, Line 1
Following: "effective"
Insert: "for school fiscal years beginning"

EXHIBIT 4
DATE 2-14-91
HB 580

Amendments to House Bill No. 580
First Reading Copy

For the Committee on Taxation

Prepared by Lee Heiman
February 14, 1991

1. Title, line 17.
Strike: "A RETROACTIVE"
Strike: "DATE"
Insert: "DATES"

2. Page 2, line 7.
Strike: "schools"
Insert: "the elementary school and high school district retirement fund budget"

3. Page 2, line 13.
Strike: "schools"
Insert: "the county retirement fund"

4. Page 2, line 14.
Strike: "received by a district"
Insert: "deposited in the elementary school or high school district retirement fund"

5. Page 2, line 15.
Following: "previous"
Insert: "calendar"
Following: "for"
Insert: "school"

6. Page 2, line 16.
Strike: "fiscal"
Insert: "calendar"

7. Page 2, line 17.
Following: "for"
Insert: "school"

8. Page 2, line 19.
Strike: "district"
Insert: "county"

9. Page 2, line 20.
Strike: "previous year"
Insert: "current school fiscal year in support of the elementary and high school district retirement fund budget"

10. Page 3, line 3.
Strike: "schools"
Insert: "the school district's general fund"

11. Page 3, line 6.

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Strike: "schedule"

12. Page 3, line 9.
Strike: "received by"
Insert: "deposited in"
Strike: "district"
Insert: "district's general fund budget"
Following: "previous"
Insert: "calendar"
Following: "for"
Insert: "school"

13. Page 3, line 10.
Strike: "fiscal"
Insert: "calendar"

14. Page 3, line 12.
Following: "for"
Insert: "school"

15. Page 3, line 14.
Strike: "previous year"
Insert: "current school fiscal year in support of the district's general fund budget"

16. Page 3.
Following: line 22
Insert: "(4) "Statewide county mill value per elementary ANB" or "statewide county mill value per high school ANB" means the sum of the taxable valuation in the previous year of all property in the state plus the taxable value of oil and gas net proceeds determined under 15-23-607(4) for production occurring after March 31, 1990, plus the taxable value of coal gross proceeds determined under 15-23-703(3) plus all the taxable value of nonlevy revenue for support of the elementary school or high school district retirement fund budget, other than Public Law 81-874 funds, divided by 1000, with the quotient divided by the total state elementary ANB count or the total state high school ANB amount used to calculate the elementary school districts' and high school districts' current year foundation program amounts. The taxable value of nonlevy revenue for the purposes of computing guaranteed tax base aid to the county retirement fund is the amount of nonlevy revenue deposited in the elementary school or high school district retirement fund the previous calendar year, including for school fiscal year 1991 the revenue received in calendar year 1990 from the net proceeds taxation of oil and natural gas and including for school fiscal year 1992 and thereafter the local government severance tax, divided by the number of mills levied by the county in the current school fiscal year in support of the elementary school and high school retirement funds, multiplied by 1000."
Renumber: subsequent subsection

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17. Page 3, line 23.
Following: "Statewide"
Insert: "district"

18. Page 3, line 24.
Following: "statewide"
Insert: "district"

19. Page 4, line 6.
Strike: "schools"
Insert: "the general fund budget of all school districts"

20. Page 4, line 13.
Strike: "received by a"
Insert: "deposited to the general fund of a school"

21. Page 4, line 14.
Following: "previous"
Insert: "calendar"
Following: "for"
Insert: "school"

22. Page 4, line 15.
Strike: "fiscal"
Insert: "calendar"

23. Page 4, line 16.
Following: "for"
Insert: "school"

24. Page 5, line 1.
Strike: "June 15"
Insert: "March 1"

25. Page 5, line 3.
Strike: "July 15"
Insert: "May 1"

26. Page 6, line 19.
Strike: "Retroactive applicability"
Insert: "Applicability"

27. Page 6, line 20.
Following: line 19
Insert: "(1)"

28. Page 6, line 23.
Following: line 22
Insert: "(2) Except as provided in subsection (1), [this act] applies to school fiscal years beginning after June 30, 1991."

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

TAXATION COMMITTEE BILL NO. 580

DATE 2-14-91 SPONSOR(S) _____

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Jan Thomson	OPI	X	
Jim Kipnis	DOR	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

Closing by Sponsor:

In closing, Representative Stang said the property owner should not get a credit for higher taxes than were paid in Montana. He asked the committee to address that concern in the bill.

HEARING ON HOUSE BILL 580

Presentation and Opening Statement by Sponsor:

Representative Schye, District 18, sponsor, said the bill was introduced at the request of the Revenue Oversight Committee. He asked the DOR and OPI representatives to further explain the bill.

Proponents' Testimony:

Jan Thompson, Office of Public Instruction, said the bill is intended to clean up the guaranteed tax base calculations implemented as part of HB 28 of the 1989 session. Under current law, several different tax years are used to collect data used in the GTB calculation. DOR transmits taxable valuations for school districts and counties to OPI. OPI does their calculations in June and July for the ensuing school fiscal year. DOR is unable to get the information to OPI in time for them to calculate the GTB subsidies and distribute them to the counties and districts. Therefore, the bill allows OPI to "lag" the GTB for one year to determine the district's eligibility for subsidy. Once that is determined, OPI will use the current year ANB or student count in the districts and counties to determine the subsidies that they are eligible for in the current year. There are no major changes or fiscal impacts in the bill other than using calendar year 1990 information or fiscal 1991 information to do the 1992 guaranteed tax base calculations.

Ken Morrison, DOR, said this solves the problem they have had with the calculations. It is not possible for DOR to provide the taxable value information as early as OPI needs it. This would allow a year's delay and solves a major reporting problem.

Opponents' Testimony:

There were no opponents.

Questions From Committee Members:

Senator Halligan said he has received a letter from Greg Petesch, Legislative Council, stating there is a conflict with this bill and SB 17 and SB 82. Ms. Thompson replied there is no longer a conflict with SB 82 due to the amendments put in the bill in the House. She said she would investigate the conflict with SB 17 and report back to the committee.

Closing by Sponsor:

Representative Schye closed.

EXECUTIVE ACTION ON HOUSE BILL 58

Recommendation and Vote:

Senator Harp moved HB 58 Be Concurred In.

Senator Towe said he thinks this is the wrong approach. It is best for the county to get the property back and sell it. He emphasized his belief that Montana property taxes should not be subordinated to any lien at any time.

Senator Thayer felt this situation could arise anywhere in Montana. If there is property that could be rehabilitated and another business established by the forgiveness of the taxes owed, he felt that opportunity should be made available.

The motion CARRIED unanimously.

EXECUTIVE ACTION ON HOUSE BILL 135

Recommendation and Vote:

Senator Van Valkenburg moved HB 135 Be Concurred In.

The motion CARRIED unanimously.

ROLL CALL

SENATE TAXATION COMMITTEE

DATE 3/6/91

52nd LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SEN. HALLIGAN	X		
SEN. ECK	X		
SEN. BROWN			X
SEN. DOHERTY	X		
SEN. GAGE	X		
SEN. HARP	X		
SEN. KOEHNKE	X		
SEN. THAYER	X		
SEN. TOWE	X		
SEN. VAN VALKENBURG	X		
SEN. YELLOWTAIL	X		

Each day attach to minutes.

a general fund subsidy. His objection to the bill is based on the fact that property taxes will increase, but funding for the vo-techs will not.

Kay Foster, Montana Chamber of Commerce, said, as a business organization, the Chamber agrees that vo-tech programs are a very important and vital segment of education. However, post-secondary education should be funded by the state and certainly not by increased property taxes.

Gloria Paladichuk, Richland County Commissioner, said the bill creates new taxing authority which is outside of I105. The people of Montana have said they do not want more taxes and a bill of this nature flies in the face of the express wishes of the taxpayers.

Questions From Committee Members:

Senator Towe asked how the allocation of funds to the various components of the system would work.

Mr. Hutchinson replied $64,000 would be given to the research center at Northern Montana College. The balance would be distributed on the basis of how far away the institution is from the peer average and review of the program needs. The Board of Regents would prefer to have the full responsibility for dispersement of the money.

Closing by Sponsor:

Senator Lynch closed said students who are not going to attend college need to go to work. They need to attend vocational-technical schools for "better than poverty level" job training. The vo-techs are part of the statewide system and deserve statewide support.

EXECUTIVE ACTION ON HOUSE BILL 580

Amendments, Discussion, and Votes:

Senator Eck moved to adopt the amendments as proposed by the Office of Public Instruction (Exhibit #4).

The motion CARRIED unanimously.

Recommendation and Vote:

Senator Eck moved HB 580 Be Concurred In As Amended.

The motion CARRIED unanimously. Senator Gage will carry the bill on the floor.

EXECUTIVE ACTION ON SENATE BILL 345

Discussion:

Madelyn Quinlan, Office of Public Instruction, said Senator Van Vanlkenburg had asked her to attend the meeting to present the OPI opinion of the bill. OPI favors the adjustment that takes place in the bill. The bill will distribute the money across 45 statewide mills, but not the additional 10 county equalization mills or the 40 mill statewide levy. The amendment pertains to coal, oil, and gas.

Recommendation and Vote:

Senator Towe moved SB 345 Do Pass.

Senator Van Valkenburg mentioned the amendments as proposed by the Department of Revenue (Exhibit #5).

Senator Gage noted the amendments are needed to include the necessary information in the code in case the Governor's energy bill and SB 373 do not pass. Senator Gage reviewed the amendments which revise the taxation of natural resources and clarifies the definition of gross value for computation of local government severance tax.

Senator Van Valkenburg moved the amendments be adopted.

Senator Yellowtail stated he felt the amendments were not appropriate for inclusion in this particular bill.

Senator Towe asked Mr. Adams if a committee bill might not be better than adding the amendments to SB 345.

Mr. Adams replied he would be satisfied with either approach.

Senator Van Valkenburg withdrew his motion to adopt the amendments.

The committee then considered action on Senator Towe's motion that SB 345 Do Pass.

The motion CARRIED unanimously.

ROLL CALL

SENATE TAXATION COMMITTEE

DATE 3/7/91

52nd LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SEN. HALLIGAN	X		
SEN. ECK	X		
SEN. BROWN	X		
SEN. DOHERTY	X		
SEN. GAGE	X		
SEN. HARP	X		
SEN. KOEHNKE	X		
SEN. THAYER	X		
SEN. TOWE	X		
SEN. VAN VALKENBURG	X		
SEN. YELLOWTAIL	X		

Each day attach to minutes.

SENATE TAXATION
EXHIBIT NO. 4
DATE 3/7/91
BILL NO. SB 580

Amendments to House Bill No. 580
Third Reading Copy (Blue)

For the Senate Committee on Taxation

Prepared by Eddye McClure
March 6, 1991

1. Page 3, line 24.
Strike: "Guaranteed overschedule general fund budget"
Insert: "Permissive amount"

SENATE STANDING COMMITTEE REPORT

March 7, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 580 (third reading copy -- blue), respectfully report that House Bill No. 580 be amended and as so amended be concurred in:

1. Page 3, line 24.
Strike: "Guaranteed overschedule general fund budget"
Insert: "Permissive amount"

Signed: _____
Mike Halligan, Chairman

3-7-91
Amd. Coord.

SB 3-7 @ 2:55
Sec. of Senate